



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Violet Varona-Lukens, Executive Officer
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Chief Administrative Officer

At its meeting held December 20, 2005, the Board took the following action:

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The following item was called up for consideration:

The Chief Administrative Officer's recommendation to approve and instruct the Mayor to sign an amendment to agreement with Octagon Risk Services, Inc. in amount of \$3,000,000, to extend the term of the contract one year, effective January 1, 2006 through December 31, 2006, for the provision of claims administration and legal defense management services for the County's medical malpractice and hospital liability self-insurance program; and authorize the Chief Administrative Officer to execute all renewal options, extensions, and change notices pursuant to the provisions of the contract.

The following statement was entered into the record for Supervisor Burke:

"The careful administration of malpractice/hospital liability claims administration and the management of legal defense in such cases is a crucial aspect of our County government. It is important to closely examine all aspects of the Request for Proposals that is developed for these services in order to ensure the utmost efficiency and to maximize cost savings to the County.

"I therefore recommend that the Chief Administrative Officer be instructed to provide a status report to the Board with regard to the progress of the Request for Proposals for Malpractice/Hospital Liability Claims Administration and Legal Defense Management Services within 6 months."

The following statement was entered into the record for Supervisor Antonovich:

"According to the Chief Administrative Officer's November 16, 2005 memo to the Board, this extension is recommended in order to allow time for the Department to work collaboratively with County departments possessing medical malpractice exposures, and County Counsel, to develop and issue an enhanced Request for Proposals for the County's Medical Malpractice and Hospital Liability Claims Administration and Legal Defense Management Services contract. The goal is to return to the Board with a recommendation of a contract for these services sometime in 2006.

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"I therefore recommend that the Board direct the Chief Administrative Officer to facilitate the creation of a working committee, with representatives from the Departments of Health Services, Coroner, Mental Health, Sheriff, Fire and County Counsel, to develop program performance and requirement language to be included in the solicitation document for a new Medical Malpractice and Hospital Liability Claims Administration and Legal Defense Management Services Contract Program, with the committee to:

- Meet regularly and work collaboratively towards the development of an enhanced Request for Proposals;
- Provide a written plan of action, including the method and factors upon which the Chief Administrative Office's Risk Management Team plans to measure performance and outcomes, and a timeline to the Board in 30 days; and
- Provide quarterly progress reports to the Board until this item returns to the Board for further action."

Dr. Bruce Chernoff, Senior Medical Director, Clinical Medical Affairs, Department of Health Services, and Rocky A. Armfield, Assistant Administrative Officer, Risk Management Branch, Chief Administrative Office, responded to questions posed by the Board.

Supervisor Yaroslavsky made the following statement:

"The Chief Administrative Officer has investigated the possibility of consolidating the adjusting of medical malpractice claims within the in-house Chief Administrative Office Claims Unit. According to the Board letter of December 6, 2005, the Chief Administrative Officer determined that the transition to an in-house operation would not be feasible at this time. However, the Chief Administrative Officer has not issued a report detailing its views on this matter.

"I therefore recommend that the Chief Administrative Officer be directed to issue a report to the Board within sixty days concerning the feasibility of assigning responsibility for the County's tort liability medical malpractice claims adjustment to the Chief Administrative Officer's Risk Management Branch as of January 1, 2007.

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"I further recommend that Recommendation No. 2 of the Chief Administrative Officer's attached recommendations dated December 6, 2005 be amended as follows: 'Authorize the Chief Administrative Officer, with Board approval, to execute all renewal options, extensions, and change notices pursuant to the provisions of the contract.'"

After discussion, on motion of Supervisor Yaroslavsky, seconded by Supervisor Knabe, unanimously carried, the Board took the following actions:

1. Approved the Chief Administrative Officer's attached recommendation with the exception that his Recommendation No. 2 be amended to read as follows: "Authorize the Chief Administrative Officer, with Board approval, to execute all renewal options, extensions, and change notices pursuant to the provisions of the contract"; and
2. Instructed the Chief Administrative Officer to:
 - Issue a report to the Board within sixty days concerning the feasibility of assigning responsibility for the County's tort liability medical malpractice claims adjustment to the Chief Administrative Officer's Risk Management Branch as of January 1, 2007;
 - Provide a status report to the Board with regard to the progress of the Request for Proposals for Malpractice/Hospital Liability Claims Administration and Legal Defense Management Services within 6 months; and
 - Facilitate the creation of a working committee, with representatives from the Departments of Health Services, Coroner, Mental Health, Sheriff, Fire and County Counsel, to develop program performance and requirement language to be included in the solicitation document for a new Medical Malpractice and Hospital Liability Claims Administration and Legal Defense Management Services Contract Program, with the committee to:
 - Meet regularly and work collaboratively towards the development of an enhanced Request for Proposals;

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- Provide a written plan of action, including the method and factors upon which the Chief Administrative Office's Risk Management Team plans to measure performance and outcomes, and a timeline to the Board in 30 days; and
- Provide quarterly progress reports to the Board until this item returns to the Board for further action.

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Attachment

Copies distributed:

Each Supervisor
Sheriff
County Counsel
Coroner
Director of Health Services
Director of Mental Health
Fire Chief